

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7588

BILL NUMBER: HB 1518

DATE PREPARED: Jan 12, 1999

BILL AMENDED:

SUBJECT: State funding of circuit court clerk salaries.

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FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill establishes the salary for the office of the clerk of the circuit court. It provides for the state to pay the salary of a clerk of the circuit court and allows a county to pay up to \$5,000 in additional salary to the clerk of the circuit court. It imposes a supplemental administrative costs fee on most civil, criminal, probate, and juvenile cases filed in a circuit, superior, probate, or county court.

Effective Date: July 1, 1999.

Explanation of State Expenditures: This bill establishes the salary for the office of the clerk of the circuit court. It provides for the state to pay circuit court clerks a percentage of a trial court judge's \$90,000 annual salary based on county population. For example, for the county with a population of more than 500,000, the circuit court clerk's salary is 75% of \$90,000 (or \$67,500). The bill also requires the state to pay Social Security and Medicare taxes for circuit court clerks (calculated at 7.65% of annual salary)

The proposed salary structure will cost the State General Fund \$3.8M annually (\$3.5M in salary costs + \$270,000 in Social Security and Medicare taxes). Since the new salaries will be implemented January 1, 2000, the fiscal impact to the state will be \$1.9 M in FY2000 (½ of \$3.8M) and \$3.8M in FY2001.

Explanation of State Revenues: This bill imposes a \$17 Supplemental Administrative Costs Fee on most civil, criminal, probate and juvenile cases filed in a court of record (a circuit, superior, probate or county court). Effective July 1, 1999, the fee will be assessed on all filings except infractions, ordinance violations, small claims, and juvenile status offenses. The county clerk is required to collect the \$17 Fee and forward 100% of the fee revenue to the state for deposit in the State User Fee Fund.

Based on 1997 filings in courts of record, it is estimated that the \$17 Fee will raise \$4.3M in annual revenue in FY 2000 and FY 2001.

Additional information is available at the Legislative Services Agency upon request.

Explanation of Local Expenditures: This bill will decrease local expenditures. Counties currently pay \$2.66M in salaries for circuit court clerks. Under this proposal, counties will still have to pay all other fringe benefits, with the exception of the Social Security and Medicare taxes. Effective January 1, 2000, total annual county expenditures will decrease by \$2.86M (\$2.66M in salary costs + \$204,000 in Social Security and Medicare taxes) in CY2000 and CY2001.

This bill also allows counties to pay circuit court clerks a \$5,000 salary supplement. The fiscal impact of this provision is dependent on local action.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Circuit court clerks; county auditors.

Information Sources: 1997 Indiana Judicial Report, Vol. I; 1997 County Fact Book.